

Budget Execution Instructions

FY 2007 New Year Start-up



**Virginia Department
of Planning and Budget
June 29, 2006**

Table of Contents

Introduction	4
Deficits	4
FY 2007 Operating Appropriations	5
➤ <i>Establishing Appropriations</i>	5
➤ <i>Appropriation Adjustments Required to be Available July 1, 2006</i>	5
➤ <i>Clearing Out Convenience Subobject and Fund Codes</i>	6
➤ <i>Reappropriation of FY 2006 Unexpended General Fund Appropriations</i>	6
➤ <i>Appropriation of FY 2006 Nongeneral Fund Unexpended Cash Balances</i>	7
➤ <i>Additional Nongeneral Fund Revenue Appropriations</i>	8
➤ <i>Request for Use of Recovery Subobject Codes xx98 and xx99</i>	8
➤ <i>Personal Service Recovery Codes used by Institutions of Higher Education</i>	9
➤ <i>FY 2007 Fringe Benefit Rates</i>	9
➤ <i>Higher Education Equipment Trust Fund Lease Payments</i>	9
➤ <i>Capital Fees for Out-of-State Students</i>	9
Capital Projects	10
➤ <i>FY 2007 Maintenance Reserve Funding</i>	10
➤ <i>Re-establishing Closed Out Capital Outlay Projects and Restoring Reverted Appropriations</i>	11
Appendix A: Acknowledgment of Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies	12
Appendix B: Appropriations Not To Be Allotted July 1, 2006	13
Appendix C: Convenience Subobject Codes	17
Appendix D: Employer Fringe Benefit Rates for FY 2007	18

Appendix E: Request to Use Recovery Subobject Codes.....	20
Appendix F: Treasury Board FY 2007 HEETF Lease Payments.....	22
Appendix G: FY 2007 Capital Fee for Out-of-State Students	23

Introduction

This package provides guidance and instructions to start up FY 2007. The significant Department of Planning and Budget (DPB) dates for new year start-up actions are:

<i>Date</i>	<i>Action</i>
June 27, 2006	FATS available for FY 2007 transactions
July 17, 2006	Agency heads submit deficit authorization acknowledgements to DPB
July 31, 2006	(1) Agencies submit requests for the first-time use of recovery subobject codes
September 30, 2006	Agencies submit FATS to clear out convenience subobject codes other than the xx95 series
Fall 2006	DPB completes reappropriation of approved FY 2006 unexpended general fund operating expense balances and balances become available to agencies on CARS

The following are definitions of key terms used in these instructions:

2006 Appropriation Act means the biennial appropriation act for the 2006-08 biennium as passed by the 2006 Special Session General Assembly.

FY 2006 means the fiscal year beginning July 1, 2005, and ending on June 30, 2006.

FY2007 means the fiscal year beginning July 1, 2006, and ending on June 30, 2007.

Deficits

Section 4-3.01 of the General Provisions of the 2006 Appropriation Act prohibits agencies from obligating or expending funds in excess of appropriations, or obligating or expending at a rate which would result in expenditures in excess of nongeneral fund revenue collections, without prior approval by the Governor. The State Comptroller reserves the right to delete any transaction that fails to meet CARS cash, appropriation, or allotment criteria. It also sets out the penalties for violations. The prohibition from incurring a deficit applies to all state agencies in the legislative, judicial, and executive branches, and to the independent agencies.

This section also requires the Governor to bring the deficit provision to the attention of the members of the governing board of each state agency or the agency head if there is no governing board. Consistent with this provision, the agency head is asked to acknowledge the receipt of this notification by completing the form found in Appendix A and returning it to DPB by July 16, 2006. A signed form with a personal signature is required from the Cabinet Secretaries and all agency heads

in the legislative, judicial, and executive branches and the independent agencies. Acknowledgement cannot be delegated.

The heads of agencies with governing boards should provide each board member with a copy of this notice and of §4-3.01. The governing boards are those specified as supervisory boards in §2.2-2100, Code of Virginia. Agency heads are also requested to provide the material to any board members and fiscal officers who may be appointed in the future.

Agencies should not assume that expenditures in excess of appropriations will be met from unappropriated nongeneral funds, by transfers from other current appropriations, or from appropriation of a prior year unexpended balance. Each agency's request for an appropriation allotment or any other action which requires executive approval will be treated, in the absence of any specific statement to the contrary, as the representation that approval of the request will neither directly nor indirectly create a deficit.

FY 2007 Operating Appropriations

➤ *Establishing Appropriations*

DPB will create initial appropriations and allotments for FY 2007 operating expenses and will transmit them to CARS. The appropriations will be available on June 27, 2006. Agency action is not needed. DPB's initial actions will include:

1. Legislative appropriations in the 2006 Appropriation Act.
2. Transfer (rollover) of Fund 0100 to Fund 0300 in program 100 (Educational and General Programs) for institutions of higher education for the initial FY 2007 legislative appropriation in the 2006 Appropriation Act.

Unallotment of FY 2007 appropriations per Appendix B. Due to the unique circumstances governing FY2007 start-up – Unallotment actions will be taken as soon as possible.

The July 3, 2006, CARS data will reflect subobject code detail for personal services and will be at the major object level for nonpersonal services, including convenience subobject codes. This data represents the enrolled HB5002 budget as passed by the 2006 Special Session of the General Assembly. Amendments approved on June 28, 2006, or Governor's vetoes will be processed at a later time.

➤ *Appropriation Adjustments Required to be Available July 1, 2006*

For selected state agencies, two actions will not be reflected in the initial appropriations DPB transmits to CARS. These are:

1. Dollar amounts at subobject level detail for sum sufficient items included in the HB5002 budget as passed by the 2006 Special Session of the General Assembly.

2. Appropriation of certain unexpended June 30, 2006, federal grants or other nongeneral funds.

For sum sufficient appropriations, use adjustment type “F” and include a transaction brief stating: “To establish the sum sufficient amount for Item # in the 2006 Appropriation Act.”

For unexpended nongeneral funds use adjustment type “E.” Round the requested amount **up** to the nearest whole dollar. The amount requested should not exceed the agency estimate of the cash balance that will be unexpended on June 30, 2006. The transaction brief should clearly describe how the funds will be used and the need for the appropriation and note that it is an estimated amount. Pages five and six of the FATS Online System User Manual lists the questions that must be addressed in the transaction brief. The manual can be found at <http://dpb.virginia.gov/forms>. Search for “FATS Manual.”

The State Comptroller will close the fiscal year on July 25, 2006, and report the exact amount of the unexpended appropriations in the last week of July in the yearend reports. If the original requested amount exceeds the amount reported by the State Comptroller, submit another Form 27 (FATS) to adjust the original request down to the exact amount.

➤ ***Clearing Out Convenience Subobject and Fund Codes***

While the initial appropriations on CARS will contain convenience subobject codes (see Appendix C), expense vouchers to be processed through CARS must be coded using valid expenditure subobject codes. By September 30, 2006, agencies must submit a Form 27 (type M) to convert any convenience subobject and fund codes, other than the xx95 subobject codes, to regular subobject or fund codes. This includes any convenience codes affecting personal services amounts, positions, and nonpersonal services. Although it is not necessary to clear out the xx95 convenience codes for undistributed nonpersonal services, agencies cannot expense against these xx95 convenience codes. The xx95 convenience codes can be cleared out at this time.

Since convenience codes cannot be used to record expenditures, agencies may not use convenience codes, including the xx95 convenience codes, to appropriate funds during the fiscal year. Therefore, FATS transactions using the xx95 convenience codes will be returned to agencies.

➤ ***Reappropriation of FY 2006 Unexpended General Fund Appropriations***

As part of the yearend close process, the State Comptroller reverts all unexpended general fund operating expense appropriations to the fund balance of the general fund. Section 4-1.05 of the 2006 Appropriation Act governs the reappropriation of such unexpended general fund operating expense appropriations for use in the next year. Under that section, the Governor, at his discretion, has general authority to approve reappropriations for Executive Department agencies, other than those for which the General Assembly has mandated reappropriations by specific language in the act.

The act mandates the reappropriation of unexpended appropriations for agencies in the legislative and judicial departments and the independent agencies, and reappropriation of some unexpended appropriations for other agencies and institutions of higher education. For institutions of higher education, the cash balance in Educational and General programs (fund 0300) will be considered general fund at the end of the fiscal year. The reappropriation amount will equal the unexpended cash balance that has been appropriated in FY 2006.

DPB will calculate centrally the amount available for reappropriation for each agency, based on DOA's report of unexpended appropriations (CARS ACTR 1408) for FY 2006 final close, which will be available the last week of July.

Once the State Comptroller reports the exact amount of unexpended balances, DPB may request additional information from agencies on how they plan to use any June 30 balances. There may be some cases where retention by the general fund will be necessary, as provided in § 4-1.05, and reappropriation cannot be made. In those cases, the DPB analyst will contact the affected agency.

The unexpended general fund operating expense appropriations must be reappropriated in the respective programs in the CARS ACTR 1408 report. The agency's DPB analyst will provide it with the general fund balances approved by program for reappropriation. After this notification, agencies will then prepare the necessary FATS transactions to reappropriate the approved balances.

Agencies may submit FATS transactions to distribute the amounts to valid service area and subobject codes within the designated program or to transfer the reappropriation to a different program from that in which the appropriation was listed in CARS on June 30, 2006. Any such program transfers must be accompanied by a transaction brief providing the basis for the request. (See page eight of the FATS Online System Users Manual for items that must be included in the brief.)

➤ ***Appropriation of FY 2006 Nongeneral Fund Unexpended Cash Balances***

Unexpended nongeneral fund appropriations are not automatically brought forward in FATS and CARS. Unexpended nongeneral fund cash balances on June 30, 2006, must be appropriated to spend this cash in FY 2007, or expire on June 30, 2006. The appropriation is subject to DOA's cash controls. DOA will not approve expenditures that exceed the available cash.

Agencies may be asked to complete a plan of expenditure for any nongeneral fund cash balances prior to submission of FATS transactions. If such a request is made, agencies will be instructed to prepare FATS transactions to appropriate approved requests and, to the extent necessary, spread these amounts in separate FATS transactions to the appropriate programs and service areas. Further details on the preparation of these plans, if they are required, will be forthcoming.

For authorized nongeneral fund carry forward requests, agencies should:

1. Verify on the final close CARS ACTR 402 report the actual unexpended cash balance. (DPB will not notify agencies of this amount).

2. Submit a Form 27 (FATS) (adjustment type E) to DPB requesting appropriation and allotment of the amount estimated to be needed in FY 2007. If the entire balance is to be requested, then it should be rounded **up** to the nearest dollar.

➤ ***Additional Nongeneral Fund Revenue Appropriations***

If the agency desires to create a nongeneral fund operating appropriation on or after July 3, in anticipation of new or supplemental revenues to be received in FY 2007, a FATS transaction (adjustment type G) must be submitted. The request must be consistent with the provisions in § 4-1.04 of the Appropriation Act, and include a transaction brief clearly explaining and justifying how the additional nongeneral funds will be expended, describing the additional funding source, and include the additional revenue source code. Page five of the FATS Online System User Manual lists the questions that must be addressed in the FATS transaction brief. It is the agency's responsibility to provide cash to support the appropriation thus created.

➤ ***Request for Use of Recovery Subobject Codes xx98 and xx99***

Notice: DUE TO THE SUBSTANTIAL REVISIONS TO THE VIRGINIA STATE GOVERNMENT PROGRAM STRUCTURE FOR STATE AGENCIES, ALL PRIOR APPROVALS FOR RECOVERY CODES ARE RESCINDED EFFECTIVE JULY 1, 2006. Agencies needing to use recovery codes must complete the enclosed Form OC-1 (Appendix E) for each application at the program level and submit the form to DPB attached in an e-mail by July 31, 2006. The form is available as part of the Yearend closeout at the following link: <http://dpb.virginia.gov/forms/forms.cfm>

DPB has established the xx98 (Inter-Agency Recovery) and xx99 (Intra-Agency Recovery) subobject codes for each of the major objects of expenditure. These codes may be used only with prior DPB approval.

The decision to use the xx98 subobject codes should be in concurrence with the joint DPB and DOA guidelines entitled "Procedures for Identifying and Accounting for Transactions Between State Agencies and Institutions" dated May 20, 1998, found on DOA's website at:

[http://www.doa.state.va.us/procedures/finance reporting/pass-through/memo.htm](http://www.doa.state.va.us/procedures/finance%20reporting/pass-through/memo.htm).

These guidelines specifically address the procedures to be used for identifying and accounting for sub-recipient and vendor transactions, such as those when one state agency purchases services from another state agency. Recovery codes are used only for non-sub-recipient/non-vendor relationships that would include refunds made by vendors or parties outside state government. Recovery codes should not be used to record payments for goods or services provided to public or private individuals or entities. The xx98 subobject codes should only be used when the expenditure and recovery of expenditure occur in the same fiscal year.

➤ ***Personal Service Recovery Codes used by Institutions of Higher Education***

In addition to the recovery subobject codes discussed above, there are two personal services recovery codes available for use by institutions of higher education. These are 1196 (Indirect Cost Recoveries from Auxiliary Programs for Personal Services) and 1197 (Indirect Cost Recoveries from Sponsored Programs for Personal Services). It is very important that institutions of higher education record expenditures to these subobject codes appropriately, promptly, and accurately on CARS. Institutions should record the personal service expenditure recoveries at least monthly in CARS. This action provides DPB with the most complete picture of how much the institution is recovering from Auxiliary Enterprises and Sponsored Programs for services provided within the Educational and General Program (E&G). **Use of subobject codes 1196 and 1197 does not require prior DPB approval.**

➤ ***FY 2007 Fringe Benefit Rates***

Appendix D provides the employer fringe benefit rates effective July 1, 2006.

➤ ***Higher Education Equipment Trust Fund Lease Payments***

The 2006 Appropriation Act provides funding to support debt service on equipment purchased through the Virginia College Building Authority's (VCBA) Higher Education Equipment Trust Fund. As has been the case since FY 2000, the general and nongeneral fund appropriations are included within the Treasury Board budget instead of within the budgets of each institution of higher education. This allows the Commonwealth to consolidate debt service on tax-supported debt (i.e. debt supported primarily from the general fund) in one central location within the Treasury Board.

Since the general fund appropriation is now included as part of the Treasury Board budget, the Treasury Board makes the debt service payment to the VCBA directly. However, the nongeneral fund portion of the payment cannot be made to the VCBA until funds are transferred from each institution to support the nongeneral fund appropriation authority provided in the 2006 Appropriation Act. Therefore, DOA will take action on or about July 1 to transfer the appropriate cash amount listed in Item 276, paragraphs C. 5 a. for all institutions from balances in fund code 0300 (higher education operating). See Appendix F.

No action will be necessary on the part of the institutions for payment of debt service associated with the Higher Education Equipment Trust Fund.

➤ ***Capital Fees for Out-of-State Students***

The 2004 General Assembly approved a new fee to be charged to out-of-state students. The additional funds will be used to pay a portion of the debt service on bonds issued under the 21st Century Program in the 2006-2008 biennium. Item 276, paragraph C. 6 of the 2006 Appropriation Act sets out the amounts designated for each institution. No action is necessary at this time. See Appendix G.

Capital Projects

➤ ***New Capital Projects***

DPB will create initial appropriations and unallotments for FY 2007 capital expenses (general fund and nongeneral fund) and will transmit them to CARS. The appropriations will be available on June 27, 2006.

Initial Appropriations – DPB will enter the appropriations for all state-owned projects into FATS and transmit them to CARS. **Do not submit FATS transactions to enter new project appropriations into FATS and CARS.** All project appropriations will be unallotted.

- **Project Initiation or Change** – Each affected agency must submit an E&B Form CO-2 to DGS. If a project was partially funded in each year of the biennium, a separate CO-2 form must be submitted in the following fiscal year for the second year funds. CO-2 Forms for FY 2007 submitted before the start of the fiscal year will be held at DPB until the start of the fiscal year. CO-2 forms for FY 2006 funding approved by the 2006 session of the General Assembly will be processed after the budget bill becomes law.

- **Allotment of Project Appropriation** – After receipt of an approved CO-2, a FATS transaction can be submitted to DPB to allot enough funds to complete working drawings (usually 75 percent of the amount budgeted for architectural and engineering fees in the approved CO-2 form). Use adjustment type L and distribute the allotment to valid expenditure subobject codes.

After the construction bid has been received, and an E&B Form CO-8 submitted to DGS, submit a FATS request to DPB to allot construction funds. DPB will allot up to the bid amount for construction and equipment, an amount for project contingencies (until further notice, this is no more than two percent of the construction contract for new construction or renovations over \$1 million or five percent for renovations under \$1 million), estimated amounts for testing, inspecting, or project management services, and the balance of the architectural and engineering contract.

If project construction and equipment costs are anticipated to exceed the allotted amounts, the agency must submit a revised CO-2 to DGS and a FATS to DPB to access the remaining appropriated funds. The transaction brief must provide sufficient information to describe and justify the need for additional dollars to be allotted.

➤ **FY 2007 Maintenance Reserve Funding**

Item C-325 of the 2006 Appropriation Act lists the general fund allocations for affected agencies and institutions of higher education for this biennium. DPB will transfer the FY 2007 funds to each agency in July.

➤ **FY 2007 Appropriations for Existing Projects**

Once yearend close is completed for approved projects, DPB will bring forward into FY 2007 the project appropriations in FATS as of June 30, 2006. This action will take place on approximately August 5, 2006. Until the capital project appropriations are re-established in CARS, DOA will process expenditures that take place on and after July 1 through overrides of the normal controls. These transactions may default to the CARS error file briefly until the override takes effect. For questions, contact DOA error correction personnel by fax at (804) 225-4250 or by submitting an Error Correction Form.

➤ **Re-establishing Closed Out Capital Outlay Projects and Restoring Reverted Appropriations**

Occasionally, after a project is closed out or an unexpended balance is reverted, an agency may discover that an unpaid obligation or requirement for the project exists. Because of these situations, there is language in the General Provisions of the Appropriation Act authorizing the DPB Director to restore reverted capital project balances and reestablish closed out projects. Section 4-1.05.c.3 authorizes the restoration of reverted capital project balances and authorizes the re-establishment of a closed capital project. ***Restoration authorization is limited to reversions that occurred in the current and prior biennia.***

In some instances, there are no unexpended balances in the closed out project to be restored, and funds must come from another source to meet the unpaid obligation. In these situations, the project would be reestablished under the authority of § 4-1.05c.3 of the General Provisions. However, because the project's fund source would be obtained through a transfer of appropriations or through additional nongeneral fund revenue, other sections of the General Provisions must be satisfied as well. Section 4-1.03 authorizes the transfer of appropriations and § 4-1.04. authorizes the appropriation of unappropriated nongeneral funds.

To request the re-establishment of a closed capital outlay project and the restoration of project funding, the agency must submit a written request to the DPB Director. The request must describe circumstances that led to the need to restore the project and identify the source of money to be restored to the project. The funding sources include reverted balances, transfers, and additional revenue.

Appendix A

Acknowledgment of Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies

Return by July 17, 2006

To: Director, Department of Planning and Budget

Section A

All Agencies

I have received and read your notice of June 29, 2006, and reviewed §4-3.01, 2006 Appropriation Act, regarding indebtedness of state agencies.

Agency Name _____ Agency Code _____

Agency Head Name _____

Agency Head Signature _____

(Personal signature required)

Date _____, 2006

Section B

Supervisory Board (§2.2-2100 of the Code of Virginia)

I have provided each member of the board of this agency with a copy of the notice in this memorandum and of §4-3.01 and I will provide the same material to those appointed to the board in the future.

Signature of Agency Head

Date: _____, 2006

Please use the following address to return this acknowledgment form:

BOS Secretary, General Provisions
Department of Planning and Budget
Patrick Henry Executive Office Building, Fifth Floor
1111 East Broad Street
Richmond, Virginia 23219

Appendix B

Appropriations Not To Be Allotted July 1, 2006

The 2006 Appropriation Act contains certain appropriations that are not to be initially allotted and available for expenditure on July 1, 2006, for the following reasons:

- Some type of prior approval by the Governor or other designated person is required.
- There is a match requirement.
- The appropriation is not expended in the agency to which it is made, but is transferred to other agencies for expenditure. An example is the compensation supplement appropriation, Item 505.

The following table is a list of such appropriations. These amounts will be established as unallotted in FATS and CARS on July 1, 2006, and will not be available for expenditure. If expenditure is conditioned upon a prior approval action or a match requirement, these criteria must be satisfied before the appropriation can be allotted.

<i>Item</i>	<i>Agency Code</i>	<i>Agency</i>	<i>Amount</i>	<i>Fund</i>	<i>Program/Service Area</i>	<i>Description</i>
5964. D	157	Compensation Board	\$2,579,051	1	304	Delayed opening of new jails (Fairfax, Northwestern PODS, Eastern Shore)
60.D	157	Compensation Board	\$377,010	01	356	Unbudgeted medical expenses in local correctional facilities
110.A	165	Department of Housing and Community Development	\$2,115,220	1	458	Local or private match for amounts allocated for emergency shelters
110.A	165	Department of Housing and Community Development	\$100,000	9	458	
110.A	165	Department of Housing and Community Development	\$3,427,000	10	458	
144.B	245	State Council of Higher Education	\$6,277,568	01	110	Appropriations (Eminent Scholars) for transfer to institutions subject to Secretary of Education approval.

<i>Item</i>	<i>Agency Code</i>	<i>Agency</i>	<i>Amount</i>	<i>Fund</i>	<i>Program/ Service Area</i>	<i>Description</i>
149	242	Christopher Newport University	\$3,292,709	01	108	Approval of plan by SCHEV*
153	204	College of William and Mary	\$3,066,681	01	108	Approval of plan by SCHEV*
153	204	College of William and Mary	\$1,1349,411	03	108	Approval of plan by SCHEV*
157	241	Richard Bland College	\$261,985	01	108	Approval of plan by SCHEV*
162. B.	247	George Mason University	\$289,614	01	100	Plan for graduate engineering education to be approved by SCHEV.
162. B.	247	George Mason University	\$124,120	03	100	
163	247	George Mason University	\$10,173,993	01	108	Approval of plan by SCHEV*
167	216	James Madison University	\$5,456,181	01	108	Approval of plan by SCHEV*
167	216	James Madison University	\$1,617,120	03	108	Approval of plan by SCHEV*
171	214	Longwood University	\$2,784,837	01	108	Approval of plan by SCHEV*
186. B.	215	University of Mary Washington	\$80,483	01	100	Plan for graduate engineering education to be approved by SCHEV.
186. B.	215	University of Mary Washington	\$36,130	03	100	
187	215	University of Mary Washington	\$1,184,395	01	108	Approval of plan by SCHEV*
174. C.1.	213	Norfolk State University	\$70,000	01	100	Match requirement for Dozoretz Institute.
175	213	Norfolk State University	\$5,078,945	01	108	Approval of plan by SCHEV*
175	213	Norfolk State University	\$4,900,000	03	108	
178 .B.	221	Old Dominion University	\$431,013	01	100	Plan for graduate engineering education to be approved by SCHEV
178. B.	221	Old Dominion University	\$198,244	03	100	
179	221	Old Dominion University	\$9,612,321	01	108	Approval of plan by SCHEV*
183	217	Radford University	\$4,997,226	01	108	Approval of plan by SCHEV*
192. D.	207	University of Virginia	\$775,197	01	100	Plan for graduate engineering

<i>Item</i>	<i>Agency Code</i>	<i>Agency</i>	<i>Amount</i>	<i>Fund</i>	<i>Program/ Service Area</i>	<i>Description</i>
192. D.	207	University of Virginia	\$468,850	03	100	education to be approved by SCHEV.
193	207	University of Virginia	\$7,107,218	01	108	Approval of plan by SCHEV*
200	246	University of Virginia's College at Wise	\$1,353,950	01	108	Approval of plan by SCHEV*
203. C.	236	Virginia Commonwealth University	\$388,468	01	100	Plan for graduate engineering education to be approved by SCHEV.
203. C.	236	Virginia Commonwealth University	\$168,533	03	100	
204	236	Virginia Commonwealth University	\$12,195,161	01	108	Approval of plan by SCHEV*
208. H.1.	260	Virginia Community College System	\$296,415	01	100	Match for A.L. Philpott manufacturer's assistance program.
208. N.	260	Virginia Community College System	\$508,140	01	100	Match for four work force training centers
209	260	Virginia Community College System	\$18,347,336	01	108	Approval of plan by SCHEV*
209	260	Virginia Community College System	\$114,375,000	03	108	
216	211	Virginia Military Institute	\$691,620	01	108	Approval of plan by SCHEV*
216	211	Virginia Military Institute	\$200,000	03	108	
218. B.2.	211	Virginia Military Institute	\$1,680,044	01	113	Certification required for number of cadets at Mary Baldwin College and Virginia Tech
220. B.	208	Virginia Polytechnic Institute and State University	\$869,882	01	100	Plan for graduate engineering education to be approved by SCHEV.
220. B.	208	Virginia Polytechnic Institute and State University	\$436,357	03	100	

<i>Item</i>	<i>Agency Code</i>	<i>Agency</i>	<i>Amount</i>	<i>Fund</i>	<i>Program/ Service Area</i>	<i>Description</i>
221	208	Virginia Polytechnic Institute and State University	\$11,445,068	01	108	Approval of plan by SCHEV*
226	212	Virginia State University	\$3,482,724	01	108	Approval of plan by SCHEV*
226	212	Virginia State University	\$344,522	03	108	
233. A.1.	400	Jamestown 2007	\$2,104,278	01	502	Pursuant to progress reports required by Par. D
233. A.1.	400	Jamestown 2007	\$280,565	02	502	
233 A.1.	400	Jamestown 2007	\$6,046,676	09	502	
242. E.	274	Eastern Virginia Medical School	\$6,158,108	01	110	Approval of plan by Department of Medical Assistance Services
314.A.2	601	Department of Health	\$2,000,571	01	440	Match required from local public and private sources Plan for graduate engineering education to be approved by SCHEV
247B.	937	Southern Virginia Higher Education Center	\$29,050	01	199	
314.A.2	601	Department of Health	\$200,000	10	440	
387 K	799	Department of Corrections	\$1,094,000	01	399	Contract with town of Craigsville for wastewater treatment plant
414 C	156	Department of State Police	\$414,768	04	30407	Approval of plan by DPB
421.A.2	136	Virginia Information Technologies Agency	\$1,000,000	09	712	Approval of Wireless E-911 Services Board required for allotment

* Pursuant to §4-5.01 b.1.a, 2007 Appropriation Act

Appendix C

Convenience Subobject Codes

The following convenience subobject codes may appear in the July 1, 2006, appropriations data in FATS and CARS. These convenience codes are broken out into those that must be removed on or before September 30 by submitting a FATS Type M transaction and those that do not have to be cleared out. ***Expenditures cannot be made against either group of convenience codes.***

Convenience codes that must be removed by September 30, 2006, by distributing the amounts to valid expenditure subobject codes:

1184	FTE Undistributed Amended Legislative Appropriation
1185	FTE, Undistributed: Legislative Appropriation
4100	Undistributed Budget Amounts
5100	Undistributed Savings Amount
6100	Undistributed Biennial Budget Amounts
6200	Undistributed Nonpersonal Services Across-the-board reductions
7100	Undistributed Amended Budget Amounts
8600	Undistributed Legislative Appropriation
8900	FATS Redistribution Code
9000	Undistributed Amended Appropriations

Convenience codes that do not need to be cleared out:

1295	Undistributed contractual services
1395	Undistributed supplies and materials
1495	Undistributed transfer payments
1595	Undistributed continuous charges
2195	Undistributed property and improvements
2295	Undistributed equipment
2395	Undistributed obligations

Convenience Fund codes that must be removed by September 30, 2006, by distributing the amounts to valid fund group:

1200	FTE, Undistributed Legislative Amount
1300	FTE, Undistributed Amended Legislative Amount

For definitions of these convenience codes, refer to the complete list of convenience codes in effect for FY 2007 that will be available soon on DPB's web site at the following link:
<http://dpb.virginia.gov/>. (Search for Expenditure Structure.)

Appendix D

State Agency Employer Fringe Benefit Rates For Fiscal Year 2007

<i>Subobject</i>	<i>Factor</i>	<i>Annual Costs/Factor ¹</i>
1111	VRS Retirement Contributions²	
	State Employees	10.74%
	Virginia Law Officers Retirement (VaLORS)	19.96%
	State Police (SPORS)	21.71%
	Judges (JRS)	41.47%
1112	Social Security ³	6.20% capped at \$94,200
1112	Medicare	1.45%
1114	Group Life	1.13%
1115	Annual Employer Health Insurance Premiums	
	COVA Care (Statewide) and Kaiser (Northern VA)	
	Single	\$4,536
	Employee Plus One	\$8,100
	Family	\$11,892
1116	Retiree Health Insurance Credit Premium	1.07%
1117	VSDP & Long-Term Disability Insurance	
	State employees	1.78%
	State Police	1.78%
	VaLORS	1.78%
1118	Teachers Insurance and Annuity ⁴	10.40%
1119	Defined Contribution Plan ⁵	10.40%
1138	Deferred Compensation Match Payments	One-half of employee's contribution per pay period, up to a max of \$20 per pay period or \$480 annually.

¹ Percentage costs refer to percent of salaries. Health insurance premiums are the annual employer dollar cost for an individual.

² Retirement contribution rates include the five percent employee portion (paid by the Commonwealth for state employees).

³ The \$94,200 Social Security cap applies only to calendar year 2006. The Federal Social Security Administration will update this cap for calendar year 2007 at a later date.

⁴ For institutions of higher education: This includes alternative retirement options, such as TIAA-CREF, for those employees as defined in § 51.1-126 of the Code of Virginia.

⁵ Used for employees eligible for a defined contribution plan established pursuant to § 51.1-126.5 of the Code of Virginia.

Appendix E

Request to Use Recovery Subobject Codes



VIRGINIA DEPARTMENT OF PLANNING AND BUDGET **FORM OC-1 (2007)**

Agency Name:		Agency Code:	
Program Name:		Program Code:	
Requested Recovery Subobject Code Number(s):		Fiscal Year:	
Person Completing form:		Phone #	
E-mail Address:			

PURPOSE OF RECOVERY:

Check how the recovery codes are used

- _____ Refunds made by vendors or parties outside of state government.
- _____ Transfer expenses between funds.
- _____ Process reimbursable federal grants.
- _____ Other (describe)
- _____

DESCRIPTION AND EXPLANATION

ALTERNATIVE TO USING THE CODE:

DPB ACTION

☐ Approved ☐ Denied

Signature: _____

Date: _____

Instructions for DPB Form OC-1 Request to Use Recovery Subobject Codes xx98 and xx99

1. Complete one copy of this form for each unique recovery. For example, if an agency uses recovery codes for two unique purposes within a program, two forms should be completed. Examples of unique recoveries include payment for services rendered to a party outside state government, federal fund recoveries, or other nongeneral fund recoveries.
2. The form may list more than one recovery subobject, provided it is used for the unique purpose discussed on the form. For example, the activity may require use of 1199, 1299, and 1399.
3. Requests must be submitted to DPB by July 31, 2006, for action by August 15, 2006. Any requests after July 31 will be processed within 30 days.

Purpose of Recovery

Check the appropriate box on the form to show the proposed purpose of the recovery.

Description and Explanation

Describe how the recovery code will be used and explain why it is needed. What is the unique situation requiring the recovery code? Be sure to address how the proposed usage is consistent with DPB and DOA in accordance with the guidelines published on the DOA website at: <http://www.doa.state.va.us/procedures/FinancialReporting/Pass-Through/Memo.htm>

Alternative to Using the Code

What accounting or budgeting method would the agency need to implement if use of the recovery code is not approved? Why is the alternative not a viable option?

DPB Action

This section is for DPB use only.

This form is available on DPB's web site at the following link: <http://dpb.virginia.gov/>

Appendix F

Treasury Board FY 2007 HEETF Lease Payments

<i>Institution</i>	<i>Amount (NGF 0300)</i>
Christopher Newport University	\$17,899
College of William and Mary	\$259,307
George Mason University	\$205,665
James Madison University	\$254,504
Longwood University	\$54,746
University of Mary Washington	\$97,063
Norfolk State University	\$108,554
Old Dominion University	\$374,473
Radford University	\$135,235
Richard Bland College	\$2,027
University of Virginia	\$1,088,024
University of Virginia's College at Wise	\$9,750
Virginia Commonwealth University	\$401,647
Virginia Community College System	\$633,657
Virginia Military Institute	\$88,844
Virginia Polytechnic Institute and State University	\$992,321
Virginia State University	\$108,886
Total	\$4,842,602

* Table reflects amounts in Item 276, Paragraphs E.4.

Appendix G

FY 2007 Capital Fee for Out-of-State Students

<i>Institution</i>	<i>Amount</i>
Christopher Newport University	\$7,190
College of William and Mary	\$133,950
George Mason University	\$114,035
James Madison University	\$219,230
Longwood University	\$9,130
University of Mary Washington	\$55,465
Norfolk State University	\$75,375
Old Dominion University	\$108,790
Radford University	\$51,190
Richard Bland College	\$1,165
University of Virginia	\$376,300
University of Virginia's College at Wise	\$3,790
Virginia Commonwealth University	\$94,125
Virginia Community College System	\$258,960
Virginia Military Institute	\$36,135
Virginia Polytechnic Institute and State University	\$386,400
Virginia State University	\$68,770
Total	\$2,000,000

276, Paragraph E.3